

**CERTAIN FISCAL MATTERS AFFECTING GOVERNMENTAL  
ENTITIES; REDUCING OR AFFECTING THE AMOUNTS OR  
RATES OF CERTAIN TAXES, ASSESSMENTS, SURCHARGES,  
AND FEES**

**CHAPTER 448**

H.B. No. 7

**AN ACT**

**relating to certain fiscal matters affecting governmental entities; reducing or affecting the amounts or rates of certain taxes, assessments, surcharges, and fees.**

*Be it enacted by the Legislature of the State of Texas:*

SECTION 1. Section 102.054, Business & Commerce Code, is amended to read as follows:

Sec. 102.054. ALLOCATION OF CERTAIN REVENUE FOR SEXUAL ASSAULT PROGRAMS. The comptroller shall deposit the *amounts* ~~[first \$25 million]~~ received from the fee imposed under this subchapter ~~[in a state fiscal biennium]~~ to the credit of the sexual assault program fund.

SECTION 2. Section 21.703, Education Code, is amended to read as follows:

Sec. 21.703. ~~[EDUCATOR EXCELLENCE INNOVATION FUND;]~~ AMOUNT OF GRANT AWARD. (a) ~~[Each state fiscal year, the commissioner shall deposit an amount determined by the General Appropriations Act to the credit of the educator excellence innovation fund in the general revenue fund.]~~ Each state fiscal year, the agency shall ~~[use money in the educator excellence innovation fund to]~~ provide each school district approved on a competitive basis under this subchapter with a grant in an amount determined by the agency in accordance with commissioner rule.

(b) Not later than April 1 of each state fiscal year, the agency shall provide written notice to each school district that will be provided a grant under this section that the district will be provided the grant and the amount of that grant.

SECTION 3. Section 41.002(a), Education Code, is amended to read as follows:

(a) A school district may not have a wealth per student that exceeds:

(1) the wealth per student that generates the amount of maintenance and operations tax revenue per weighted student available to a district with maintenance and operations tax revenue per cent of tax effort equal to the maximum amount provided per cent under Section 42.101(a) or (b), for the district's maintenance and operations tax effort equal to or less than the rate equal to the *sum of the* product of the state compression percentage, as determined under Section 42.2516, multiplied by the maintenance and operations tax rate adopted by the district for the 2005 tax year *and any additional tax effort included in calculating the district's compressed tax rate under Section 42.101(a-1)*;

(2) the wealth per student that generates the amount of maintenance and operations tax revenue per weighted student available to the Austin Independent School District, as determined by the commissioner in cooperation with the Legislative Budget Board, for the first six cents by which the district's maintenance and operations tax rate exceeds the rate equal to the *sum of the* product of the state compression percentage, as determined under Section 42.2516, multiplied by the maintenance and operations tax rate adopted by the district for the 2005 tax year *and any additional tax effort included in calculating the district's compressed tax rate under Section 42.101(a-1)*, subject to Section 41.093(b-1); or

(3) \$319,500, for the district's maintenance and operations tax effort that exceeds the *amount of tax effort described by Subdivision (2)* ~~[first six cents by which the district's maintenance and operations tax effort exceeds the rate equal to the product of the state compression percentage, as determined under Section 42.2516, multiplied by the maintenance and operations tax rate adopted by the district for the 2005 tax year]~~.

SECTION 4. Section 41.093(b-1), Education Code, is amended to read as follows:

(b-1) If the guaranteed level of state and local funds per weighted student per cent of tax effort under Section 42.302(a-1)(1) for which state funds are appropriated for a school year is an amount at least equal to the amount of revenue per weighted student per cent of tax effort available to the Austin Independent School District, as determined by the commissioner in cooperation with the Legislative Budget Board, the commissioner, in computing the amounts described by Subsections (a)(1) and (2) and determining the cost of an attendance credit, shall exclude maintenance and operations tax revenue resulting from the *tax rate described by Section 41.002(a)(2) [first six cents by which a district's maintenance and operations tax rate exceeds the rate equal to the product of the state compression percentage, as determined under Section 42.2516, multiplied by the maintenance and operations tax rate adopted by the district for the 2005 tax year]*.

SECTION 5. Section 42.101, Education Code, as effective September 1, 2015, is amended by adding Subsections (a-1), (a-2), and (c) to read as follows:

(a-1) *Notwithstanding Subsection (a), for a school district that adopted a maintenance and operations tax rate for the 2005 tax year below the maximum rate permitted by law for that year, the district's compressed tax rate ("DCR") includes the portion of the district's current maintenance and operations tax rate in excess of the first six cents above the district's compressed tax rate, as defined by Subsection (a), until the district's compressed tax rate computed in accordance with this subsection is equal to the state maximum compressed tax rate ("MCR").*

(a-2) *Subsection (a-1) applies beginning with the 2017-2018 school year. For the 2015-2016 and 2016-2017 school years, the board of trustees of a school district that adopted a maintenance and operations tax rate for the 2005 tax year below the maximum rate permitted by law for that year may choose to apply Subsection (a-1) to the calculation of the district's compressed tax rate ("DCR"). A board of trustees that chooses to apply Subsection (a-1) must notify the commissioner of the decision in writing not later than September 1 of the affected school year. This subsection expires September 1, 2018.*

(c) *This subsection applies to a school district for which the compressed tax rate ("DCR") is determined in accordance with Subsection (a-1). Any reduction in the district's adopted maintenance and operations tax rate is applied to the following components of the district's tax rate in the order specified:*

- (1) *tax effort described by Section 42.302(a-1)(2);*
- (2) *tax effort described by Section 42.302(a-1)(1); and*
- (3) *tax effort included in the determination of the district's compressed tax rate ("DCR") under Subsection (a-1).*

SECTION 6. Section 42.2516, Education Code, is amended by adding Subsection (c-1) to read as follows:

(c-1) *Revenue generated by the portion of a district's maintenance and operations tax rate included in calculating the district's compressed tax rate under Section 42.101(a-1) and local share under Section 42.252(a-1) is included in determining the amount to which a district is entitled under this section, but may not increase the total amount of revenue per weighted student to which the district is entitled under this section. This subsection expires September 1, 2017.*

SECTION 7. Section 42.252, Education Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) *Notwithstanding Subsection (a), for a school district that adopted a maintenance and operations tax rate for the 2005 tax year below the maximum rate permitted by law for that year, the district's tax rate ("TR") includes the tax effort included in calculating the district's compressed tax rate under Section 42.101(a-1).*

SECTION 8. Subchapter E, Chapter 42, Education Code, is amended by adding Section 42.262 to read as follows:

Sec. 42.262. **TAX RATE CONVERSION FUND.** (a) *Each fiscal year, the commis-*

sioner shall identify amounts appropriated in the General Appropriations Act from the Foundation School Fund, to be deposited in the tax rate conversion fund in the general revenue fund. The amount identified by the commissioner shall be sufficient to provide additional state aid to school districts to which the compressed tax rate modified under Section 42.101(a-1) applies, in excess of the level of state aid to which the district would have been entitled had Section 42.101(a-1) not taken effect.

(b) For the purposes of state aid payments to school districts under this chapter, the tax rate conversion fund shall be considered to be used in the same manner as the foundation school fund.

SECTION 9. Section 42.302(a-1), Education Code, is amended to read as follows:

(a-1) ~~[In this section, “wealth per student” has the meaning assigned by Section 41.001.]~~ For purposes of Subsection (a), the dollar amount guaranteed level of state and local funds per weighted student per cent of tax effort (“GL”) for a school district is:

(1) the greater of the amount of district tax revenue per weighted student per cent of tax effort that would be available to the Austin Independent School District, as determined by the commissioner in cooperation with the Legislative Budget Board, if the reduction of the limitation on tax increases as provided by Section 11.26(a-1), (a-2), or (a-3), Tax Code, did not apply, or the amount of district tax revenue per weighted student per cent of tax effort used for purposes of this subdivision in the preceding school year, for the first six cents by which the district’s maintenance and operations tax rate exceeds the rate equal to the *sum of the* product of the state compression percentage, as determined under Section 42.2516, multiplied by the maintenance and operations tax rate adopted by the district for the 2005 tax year *and any additional tax effort included in calculating the district’s compressed tax rate under Section 42.101(a-1)*; and

(2) \$31.95, for the district’s maintenance and operations tax effort that exceeds the amount of tax effort described by Subdivision (1).

SECTION 10. Section 61.5391(a), Education Code, is amended to read as follows:

(a) The physician education loan repayment program account is an account in the general revenue fund. The account is composed of:

- (1) gifts and grants contributed to the account;
- (2) earnings on the principal of the account; and
- (3) other amounts deposited to the credit of the account, including:
  - (A) money deposited under Section ~~[61.539(b) or]~~ 61.5392;
  - (B) legislative appropriations; and
  - (C) money deposited under Section 155.2415, Tax Code.

SECTION 11. Chapter 62, Education Code, is amended by adding Subchapter H to read as follows:

#### **SUBCHAPTER H. GOVERNOR’S UNIVERSITY RESEARCH INITIATIVE**

Sec. 62.161. **DEFINITIONS.** *In this subchapter:*

(1) “Advisory board” means the governor’s university research initiative advisory board.

(2) “Distinguished researcher” means a researcher who is:

- (A) a Nobel laureate or the recipient of an equivalent honor; or
- (B) a member of a national honorific society, such as the National Academy of Sciences, the National Academy of Engineering, or the Institute of Medicine, or an equivalent honorific organization.

(3) “Eligible institution” means a general academic teaching institution or health-related institution.

(4) "Fund" means the governor's university research initiative fund established under this subchapter.

(5) "General academic teaching institution" has the meaning assigned by Section 61.003.

(6) "Governing board" has the meaning assigned by Section 61.003.

(7) "Health-related institution" means a medical and dental unit as defined by Section 61.003 and any other public health science center, public medical school, or public dental school established by statute or in accordance with Chapter 61.

(8) "Office" means the Texas Economic Development and Tourism Office within the office of the governor.

(9) "Private or independent institution of higher education" has the meaning assigned by Section 61.003.

Sec. 62.162. **ADMINISTRATION OF INITIATIVE.** (a) The governor's university research initiative is administered by the Texas Economic Development and Tourism Office within the office of the governor.

(b) From the governor's university research initiative fund, the office shall award matching grants to assist eligible institutions in recruiting distinguished researchers.

(c) The office may adopt any rules the office considers necessary to administer this subchapter.

Sec. 62.163. **MATCHING GRANTS.** (a) An eligible institution may apply to the office for a matching grant from the fund. Before approval or disapproval of a grant application, the office shall consider the recommendation of the advisory board regarding the grant proposal. If the office approves a grant application, the office shall award to the applicant institution a grant amount equal to the amount committed by the institution for the recruitment of a distinguished researcher, except as provided by Subsection (c)(2).

(b) A grant application must identify the source and amount of the eligible institution's matching funds and must demonstrate that the proposed use of the grant has the support of the institution's president and of the institution's governing board, the chair of the institution's governing board, or the chancellor of the university system, if the institution is a component of a university system. An applicant eligible institution may commit for matching purposes any funds of the institution available for that purpose other than appropriated general revenue.

(c) The office may set a deadline for grant applications for each state fiscal year. After fully funding approved grant applications received during an application period for a state fiscal year, the office may reopen applications for that year and:

(1) award the full amount of matching funds from the fund for new applications; or

(2) approve previously disapproved applications submitted before the original application deadline for receipt of a reduced grant amount.

(d) A matching grant received by an eligible institution under this subchapter may not be considered as a basis to reduce, directly or indirectly, the amount of money otherwise appropriated to the institution.

(e) A matching grant may not be used by an eligible institution to recruit a distinguished researcher or other employee from:

(1) another eligible institution; or

(2) a private or independent institution of higher education.

(f) The office shall require an application and all supporting documentation to be submitted to the office electronically in the manner prescribed by the office.

Sec. 62.164. **GRANT AWARD CRITERIA; PRIORITIES.** (a) The office may award grants only to grant proposals that involve the recruitment of distinguished researchers in the fields of science, technology, engineering, mathematics, and medicine. The office shall give priority to proposals that:

(1) demonstrate a reasonable probability of enhancing Texas' national and global economic competitiveness;

(2) demonstrate a reasonable probability of creating a nationally or internationally recognized locus of research superiority or a unique locus of research;

(3) are matched with a significant amount of funding from a federal or private source that may be transferred to the eligible institution;

(4) are interdisciplinary and collaborative; or

(5) include a strategic plan for intellectual property development and commercialization of technology.

(b) The office may award a grant to a proposal that:

(1) supports the recruitment of a distinguished researcher distinguished in, or to be engaged in, basic, translational, or applied research; or

(2) proposes the recruitment of a distinguished researcher for new research capabilities of the eligible institution or to expand the institution's existing research capabilities.

(c) A grant proposal should identify a specific distinguished researcher being recruited. In addition to the factors considered in evaluating proposals considered a priority under Subsection (a), the office may consider:

(1) the likelihood that the researcher being recruited will not accept a research position with the applicant eligible institution without the institution's receipt of a matching grant under this subchapter;

(2) the extent to which the subject matter of the researcher's research offers the opportunity for interdisciplinary and collaborative research at the applicant eligible institution and with other eligible institutions; and

(3) any commercialization track record of the researcher being recruited.

Sec. 62.165. **CONFIDENTIALITY.** Information collected or obtained by the office or the advisory board concerning the identity of a particular distinguished researcher who is the subject of a grant proposal under this subchapter is confidential unless the researcher and the applicant eligible institution consent to disclosure of the information. The information remains confidential until the date, if any, on which the researcher enters into an employment relationship with the recruiting institution as contemplated in the grant proposal.

Sec. 62.166. **ADVISORY BOARD.** (a) The governor's university research initiative advisory board is established to assist the office with the review and evaluation of applications for funding of grant proposals under this subchapter. The advisory board shall make recommendations to the office for approval or disapproval of those applications.

(b) The advisory board must be composed of at least nine members appointed by the governor. Of the members of the board:

(1) one-third of the members, as nearly as possible, must have a background in finance;

(2) one-third of the members, as nearly as possible, must have an academic background in science, technology, engineering, or mathematics; and

(3) one-third of the members, as nearly as possible, must be public members.

(c) Chapter 2110, Government Code, does not apply to the size, composition, or duration of the advisory board.

(d) A member of the advisory board who is or has been employed by, is or has been a party to a contract for any purpose with, or is a student or former student of an applicant eligible institution may not be involved in the review, evaluation, or recommendation of a grant proposal made by that institution.

(e) An advisory board member is not required to be a resident of this state.

(f) Appointments to the advisory board shall be made without regard to the race, color, disability, sex, religion, age, or national origin of the appointees.

(g) *Members of the advisory board serve without compensation but are entitled to reimbursement for actual and necessary expenses in attending meetings of the board or performing other official duties authorized by the office.*

Sec. 62.167. **TIMELY ACTION ON APPLICATIONS.** (a) *The advisory board shall meet in person or by teleconference to consider grant applications under this subchapter and shall strive to present to the office the board's recommendation for approval or disapproval of an application not later than the 14th day after the date the board receives the application.*

(b) *The office shall make a final decision regarding approval of a grant application not later than the 14th day after the date the office receives the advisory board's recommendation.*

Sec. 62.168. **GOVERNOR'S UNIVERSITY RESEARCH INITIATIVE FUND.** (a) *The governor's university research initiative fund is a dedicated account in the general revenue fund.*

(b) *The fund consists of:*

(1) *amounts appropriated or otherwise allocated or transferred by law to the fund; and*

(2) *gifts, grants, and other donations received for the fund.*

(c) *Sections 403.095 and 404.071, Government Code, do not apply to the fund.*

(d) *The fund may be used by the office only for the purposes of this subchapter, including for necessary expenses incurred in the administration of the fund and this subchapter.*

SECTION 12. Subchapter B, Chapter 403, Government Code, is amended by adding Section 403.0143 to read as follows:

Sec. 403.0143. **REPORT ON USE OF GENERAL REVENUE-DEDICATED ACCOUNTS.** *After each regular session of the legislature, the comptroller shall issue a report that itemizes each general revenue-dedicated account and the estimated balance and revenue in each account that is considered available for the purposes of certification of appropriations as provided by Section 403.095. The comptroller shall publish the report on the comptroller's Internet website.*

SECTION 13. Section 403.0956, Government Code, is amended to read as follows:

Sec. 403.0956. **REALLOCATION OF INTEREST ACCRUED ON CERTAIN DEDICATED REVENUE.** *Notwithstanding any other law, all interest or other earnings that accrue on all revenue held in an account in the general revenue fund any part of which Section 403.095 makes available for certification under Section 403.121 are available for any general governmental purpose, and the comptroller shall deposit the interest and earnings to the credit of the general revenue fund. This section does not apply to:*

(1) *interest or earnings on revenue deposited in accordance with Section 51.008, Education Code;*

(2) *an account that accrues interest or other earnings on deposits of state or federal money the diversion of which is specifically excluded by federal law;*

(3) *the lifetime license endowment account; [or]*

(4) *the game, fish, and water safety account;*

(5) *the coastal protection account;*

(6) *the Alamo complex account; or*

(7) *the artificial reef account.*

SECTION 14. Section 420.008(c), Government Code, is amended to read as follows:

(c) *The legislature may appropriate money deposited to the credit of the fund only to:*

(1) *the attorney general, for:*

(A) *sexual violence awareness and prevention campaigns;*

(B) *grants to faith-based groups, independent school districts, and community ac-*

tion organizations for programs for the prevention of sexual assault and programs for victims of human trafficking;

(C) grants for equipment for sexual assault nurse examiner programs, to support the preceptorship of future sexual assault nurse examiners, and for the continuing education of sexual assault nurse examiners;

(D) grants to increase the level of sexual assault services in this state;

(E) grants to support victim assistance coordinators;

(F) grants to support technology in rape crisis centers;

(G) grants to and contracts with a statewide nonprofit organization exempt from federal income taxation under Section 501(c)(3), Internal Revenue Code of 1986, having as a primary purpose ending sexual violence in this state, for programs for the prevention of sexual violence, outreach programs, and technical assistance to and support of youth and rape crisis centers working to prevent sexual violence; ~~and~~

(H) grants to regional nonprofit providers of civil legal services to provide legal assistance for sexual assault victims;

*(I) grants to prevent sex trafficking and to provide services for victims of sex trafficking; and*

*(J) grants to carry out the purpose of this chapter, including standardizing the quality of services provided, preventing sexual assault, and improving services to survivors of sexual assault;*

(2) the Department of State Health Services, to measure the prevalence of sexual assault in this state and for grants to support programs assisting victims of human trafficking;

(3) the Institute on Domestic Violence and Sexual Assault *or the Bureau of Business Research* at The University of Texas at Austin, to conduct research on all aspects of sexual assault and domestic violence;

(4) Texas State University, for training and technical assistance to independent school districts for campus safety;

(5) the office of the governor, for grants to support sexual assault and human trafficking prosecution projects;

(6) ~~the department [Department of Public Safety]~~, to support sexual assault training for commissioned officers;

(7) the comptroller's judiciary section, for increasing the capacity of the sex offender civil commitment program;

(8) the Texas Department of Criminal Justice:

(A) for pilot projects for monitoring sex offenders on parole; and

(B) for increasing the number of adult incarcerated sex offenders receiving treatment;

(9) the Texas *Juvenile Justice Department* ~~[Youth Commission]~~, for increasing the number of incarcerated juvenile sex offenders receiving treatment;

(10) the comptroller, for the administration of the fee imposed on sexually oriented businesses under Section 102.052, Business & Commerce Code; ~~and~~

(11) the supreme court, to be transferred to the Texas ~~[Equal]~~ Access to Justice Foundation, or a similar entity, to provide victim-related legal services to sexual assault victims, including legal assistance with protective orders, relocation-related matters, victim compensation, and actions to secure privacy protections available to victims under law;

*(12) any state agency or organization for the purpose of conducting human trafficking enforcement programs; and*

*(13) any other designated state agency for the purpose of preventing sexual assault or improving services for victims of sexual assault.*

SECTION 15. The heading to Chapter 490, Government Code, is amended to read as follows:

CHAPTER 490. WINDING UP CONTRACTS AND STATE'S INVESTMENT  
PORTFOLIO IN CONNECTION WITH AWARDS FROM TEXAS ~~(FUNDING  
FOR)~~ EMERGING TECHNOLOGY FUND

SECTION 16. Section 490.101, Government Code, is amended by adding Subsection (b-1) to read as follows:

*(b-1) The fund may be used only for the purposes described by Section 490.104.*

SECTION 17. Subchapter C, Chapter 490, Government Code, is amended by adding Sections 490.104 and 490.105 to read as follows:

**Sec. 490.104. MANAGEMENT OF INVESTMENT PORTFOLIO; WINDING UP AND FINAL LIQUIDATION.** (a) In this section, "state's emerging technology investment portfolio" means:

*(1) the equity positions in the form of stock or other security the governor took, on behalf of the state, in companies that received awards under the Texas emerging technology fund; and*

*(2) any other investments made by the governor, on behalf of the state, in connection with an award made under the Texas emerging technology fund.*

*(b) The Texas Treasury Safekeeping Trust Company shall manage and wind up the state's emerging technology investment portfolio. The trust company shall wind up the portfolio in a manner that, to the extent feasible, provides for the maximum return on the state's investment while also ensuring the return of the state's investment. In managing those investments through procedures and subject to restrictions that the trust company considers appropriate, the trust company may acquire, exchange, sell, supervise, manage, or retain any kind of investment that a prudent investor, exercising reasonable care, skill, and caution, would acquire or retain in light of the purposes, terms, distribution requirements, and other circumstances then prevailing pertinent to each investment. The trust company may recover its reasonable and necessary costs incurred in the management of the portfolio, including costs incurred in the retaining of professional or technical advisors, from the earnings on the investments in the portfolio.*

*(c) Any realized proceeds or other earnings from the sale of stock or other investments in the state's emerging technology investment portfolio, less the amount permitted to be retained for payment of its costs for managing the portfolio as provided by Subsection (b), shall be remitted by the Texas Treasury Safekeeping Trust Company to the comptroller for deposit in the general revenue fund.*

*(d) The Texas Treasury Safekeeping Trust Company has any power necessary to accomplish the purposes of this section.*

*(e) On final liquidation of the state's emerging technology investment portfolio, the Texas Treasury Safekeeping Trust Company shall promptly notify the comptroller of that occurrence. As soon as practicable after receiving that notice, the comptroller shall verify that the final liquidation has been completed and, if the comptroller so verifies, shall certify to the governor that the final liquidation of the portfolio has been completed. The governor shall post notice of the certification on the office of the governor's Internet website.*

**Sec. 490.105. CONFIDENTIALITY OF CERTAIN INFORMATION.** (a) Except as provided by Subsection (b), information concerning the identity, background, finance, marketing plans, trade secrets, or other commercially or academically sensitive information of an individual or entity that was considered for or received an award from the Texas emerging technology fund is confidential unless the individual or entity consents to disclosure of the information.

*(b) The following information collected in connection with the Texas emerging technology fund is public information and may be disclosed under Chapter 552, Government Code:*



- (1) the name and address of an individual or entity that received an award from the fund;
- (2) the amount of funding received by an award recipient;
- (3) a brief description of the project funded by the award;
- (4) if applicable, a brief description of the equity position that the governor, on behalf of the state, has taken in an entity that received an award from the fund; and
- (5) any other information with the consent of:
  - (A) the governor;
  - (B) the lieutenant governor;
  - (C) the speaker of the house of representatives; and
  - (D) the individual or entity that received an award from the fund, if the information relates to that individual or entity.

SECTION 18. Section 614.104, Government Code, is amended by amending Subsections (a) and (b) and adding Subsection (d) to read as follows:

(a) The volunteer fire department assistance fund is an account in the general revenue fund and is composed of money collected under *Chapter 2007* [~~Article 5.102~~], Insurance Code, and contributions to the fund from any other source.

(b) Except as provided by *Subsections* [~~Subsection~~] (c) and (d), money in the fund may be used only for a purpose under this subchapter.

(d) Money in the fund may be appropriated for a contribution to the Texas Emergency Services Retirement System subject to Section 865.015.

SECTION 19. Section 361.014(a), Health and Safety Code, is amended to read as follows:

(a) Revenue received by the commission under Section 361.013 shall be deposited in the state treasury to the credit of the commission. Of that revenue, 66.7 percent is dedicated to the commission's municipal solid waste permitting programs, enforcement programs, and site remediation programs, and to pay for activities that will enhance the state's solid waste management program. The commission shall issue a biennial report to the legislature describing in detail how the money was spent. The activities to enhance the state's solid waste management program may include:

- (1) provision of funds for the municipal solid waste management planning fund and the municipal solid waste resource recovery applied research and technical assistance fund established by the Comprehensive Municipal Solid Waste Management, Resource Recovery, and Conservation Act (Chapter 363);
- (2) conduct of demonstration projects and studies to help local governments of various populations and the private sector to convert to accounting systems and set rates that reflect the full costs of providing waste management services and are proportionate to the amount of waste generated;
- (3) provision of technical assistance to local governments concerning solid waste management;
- (4) establishment of a solid waste resource center in the commission and an office of waste minimization and recycling;
- (5) provision of supplemental funding to local governments for the enforcement of this chapter, the Texas Litter Abatement Act (Chapter 365), and Chapters 391 and 683, Transportation Code;
- (6) conduct of a statewide public awareness program concerning solid waste management;
- (7) provision of supplemental funds for other state agencies with responsibilities concerning solid waste management, recycling, and other initiatives with the purpose of diverting recyclable waste from landfills;
- (8) conduct of research to promote the development and stimulation of markets for recycled waste products;

(9) creation of a state municipal solid waste superfund, from funds appropriated, for:

(A) the cleanup of unauthorized tire dumps and solid waste dumps for which a responsible party cannot be located or is not immediately financially able to provide the cleanup;

(B) the cleanup or proper closure of abandoned or contaminated municipal solid waste sites for which a responsible party is not immediately financially able to provide the cleanup; and

(C) remediation, cleanup, and proper closure of unauthorized recycling sites for which a responsible party is not immediately financially able to perform the remediation, cleanup, and closure;

(10) provision of funds to mitigate the economic and environmental impacts of lead-acid battery recycling activities on local governments; ~~and~~

(11) provision of funds for the conduct of research by a public or private entity to assist the state in developing new technologies and methods to reduce the amount of municipal waste disposed of in landfills; *and*

*(12) provision of funds for grants to encourage entities located in an affected county or a nonattainment area, as defined by Section 386.001, to convert heavy-duty vehicles used for municipal solid waste collection into vehicles powered by natural gas engines.*

SECTION 20. Section 361.133, Health and Safety Code, is amended by adding Subsection (c-1) to read as follows:

*(c-1) Notwithstanding Subsection (c), money in the account attributable to fees imposed under Section 361.138 may be used for environmental remediation at the site of a closed battery recycling facility located in the municipal boundaries of a municipality with a population of greater than 120,000. This subsection expires September 30, 2016.*

SECTION 21. Section 382.0622(a), Health and Safety Code, is amended to read as follows:

(a) Clean Air Act fees consist of:

(1) fees collected by the commission under Sections 382.062, 382.0621, 382.202, and 382.302 and as otherwise provided by law;

(2) \$2 *from the portion* of each fee collected for inspections of vehicles other than mopeds *and remitted to the state under Sections* ~~[Section]~~ 548.501 *and* 548.503, Transportation Code; and

(3) fees collected that are required under Section 185 of the federal Clean Air Act (42 U.S.C. Section 7511d).

SECTION 22. The heading to Section 780.002, Health and Safety Code, is amended to read as follows:

Sec. 780.002. *CERTAIN DEPOSITS TO ACCOUNT.*

SECTION 23. Section 780.003(b), Health and Safety Code, is amended to read as follows:

(b) The account is composed of money deposited to the credit of the account under *Sections 542.406 and 707.008, Transportation Code, and under Section 780.002 of this code*; ~~and the earnings of the account~~.

SECTION 24. Section 2007.002, Insurance Code, is amended to read as follows:

Sec. 2007.002. *ASSESSMENT.* The comptroller shall assess against all insurers to which this chapter applies amounts for each state fiscal year necessary, as determined by the commissioner, to collect a combined total equal to the lesser of:

(1) the total amount that the General Appropriations Act appropriates from the volunteer fire department assistance fund account in the general revenue fund for that state fiscal year *other than appropriations for contributions to the Texas Emergency Services Retirement System made under Section 614.104(d), Government Code; or* ~~and~~

(2) \$30 million.

SECTION 25. Chapter 140, Local Government Code, is amended by adding Section 140.011 to read as follows:

*Sec. 140.011. LOCAL GOVERNMENTS DISPROPORTIONATELY AFFECTED BY PROPERTY TAX RELIEF FOR DISABLED VETERANS. (a) In this section:*

*(1) "General fund revenue" means revenue generated by a local government from the following sources during a fiscal year and deposited in the dedicated general operating fund of the local government during that fiscal year:*

- (A) ad valorem taxes;*
- (B) sales and use taxes;*
- (C) franchise taxes, fees, or assessments charged for use of the local government's right-of-way;*
- (D) building and development fees, including permit and inspection fees;*
- (E) court fines and fees;*
- (F) other fees, assessments, and charges; and*
- (G) interest earned by the local government.*

*(2) "Local government" means:*

- (A) a municipality adjacent to a United States military installation; and*
- (B) a county in which a United States military installation is wholly or partly located.*

*(3) "Qualified local government" means a local government entitled to a disabled veteran assistance payment under this section.*

*(b) To serve the state purpose of ensuring that the cost of providing ad valorem tax relief to disabled veterans is shared equitably among the residents of this state, a local government is entitled to a disabled veteran assistance payment from the state for each fiscal year that the local government is a qualified local government. A local government is a qualified local government for a fiscal year if the amount of lost ad valorem tax revenue calculated under Subsection (c) for that fiscal year is equal to or greater than two percent of the local government's general fund revenue for that fiscal year.*

*(c) For the purposes of this section, the amount of a local government's lost ad valorem tax revenue for a fiscal year is calculated by multiplying the ad valorem tax rate adopted by the local government under Section 26.05, Tax Code, for the tax year in which the fiscal year begins by the total appraised value of all property located in the local government that is granted an exemption from taxation under Section 11.131, Tax Code, for that tax year.*

*(d) A disabled veteran assistance payment made to a qualified local government for a fiscal year is calculated by subtracting from the local government's lost ad valorem tax revenue calculated under Subsection (c) for that fiscal year an amount equal to one percent of the local government's general fund revenue for that fiscal year.*

*(e) Not later than April 1 of the first year following the end of a fiscal year for which a qualified local government is entitled to a disabled veteran assistance payment, a qualified local government may submit an application to the comptroller to receive a disabled veteran assistance payment for that fiscal year. The application must be made on a form prescribed by the comptroller. The comptroller may require the qualified local government to submit an independent audit otherwise required by law to be prepared for the local government for the fiscal year for which a qualified local government is entitled to the payment.*

*(f) A qualified local government that does not submit an application to the comptroller by the date prescribed by Subsection (e) is not entitled to a disabled veteran assistance payment for the fiscal year for which that deadline applies.*

*(g) The comptroller shall review each application by a local government to determine*

*whether the local government is entitled to a disabled veteran assistance payment. If the comptroller determines that the local government is entitled to the payment, the comptroller shall remit the payment from available funds to the qualified local government not later than the 30th day after the date the application for the payment is made.*

*(h) The comptroller shall transfer funds to a newly created account in the state treasury for the purpose of reimbursement of local governments under this section.*

*(i) The comptroller shall adopt rules necessary to implement this section.*

SECTION 26. Section 81.0521(c), Natural Resources Code, is amended to read as follows:

(c) ~~The [Two-thirds-of-the]~~ proceeds from this fee, excluding any penalties collected in connection with the fee, shall be deposited to the oil and gas regulation and cleanup fund as provided by Section 81.067.

SECTION 27. Section 81.067(c), Natural Resources Code, is amended to read as follows:

(c) The fund consists of:

(1) proceeds from bonds and other financial security required by this chapter and benefits under well-specific plugging insurance policies described by Section 91.104(c) that are paid to the state as contingent beneficiary of the policies, subject to the refund provisions of Section 91.1091, if applicable;

(2) private contributions, including contributions made under Section 89.084;

(3) expenses collected under Section 89.083;

(4) fees imposed under Section 85.2021;

(5) costs recovered under Section 91.457 or 91.459;

(6) proceeds collected under Sections 89.085 and 91.115;

(7) interest earned on the funds deposited in the fund;

(8) oil and gas waste hauler permit application fees collected under Section 29.015, Water Code;

(9) costs recovered under Section 91.113(f);

(10) hazardous oil and gas waste generation fees collected under Section 91.605;

(11) oil-field cleanup regulatory fees on oil collected under Section 81.116;

(12) oil-field cleanup regulatory fees on gas collected under Section 81.117;

(13) fees for a reissued certificate collected under Section 91.707;

(14) fees collected under Section 91.1013;

(15) fees collected under Section 89.088;

(16) fees collected under Section 91.142;

(17) fees collected under Section 91.654;

(18) costs recovered under Sections 91.656 and 91.657;

(19) ~~[two-thirds-of-the]~~ fees collected under Section 81.0521;

(20) fees collected under Sections 89.024 and 89.026;

(21) legislative appropriations;

(22) any surcharges collected under Section 81.070; ~~and~~

(23) fees collected under Section 91.0115;

(24) *money deposited to the credit of the fund under Section 81.112;*

(25) *fees collected under Subchapter E, Chapter 121, Utilities Code; and*

(26) *fees collected under Section 27.0321, Water Code.*

SECTION 28. Section 81.068, Natural Resources Code, as amended by Chapters 835 (H.B. 7) and 1075 (H.B. 3309), Acts of the 83rd Legislature, Regular Session, 2013, is re-

enacted and amended to read as follows:

Sec. 81.068. PURPOSES OF OIL AND GAS REGULATION AND CLEANUP FUND. Money in the oil and gas regulation and cleanup fund may be used by the commission or its employees or agents for any purpose related to the regulation of oil and gas development, including oil and gas monitoring and inspections, oil and gas remediation, and oil and gas well plugging, the study and evaluation of electronic access to geologic data and surface casing depths necessary to protect usable groundwater in this state, alternative fuels programs under Section 81.0681, *the administration of pipeline safety and regulatory programs*, public information and services related to those activities, and administrative costs and state benefits for personnel involved in those activities.

SECTION 29. Section 81.112, Natural Resources Code, is amended to read as follows:

Sec. 81.112. DISPOSITION OF TAX PROCEEDS. The tax shall be deposited in the *oil and gas regulation and cleanup fund as provided by Section 81.067* [~~General Revenue Fund~~].

SECTION 30. Section 153.0535(b), Occupations Code, is amended to read as follows:

(b) The board shall deposit each surcharge collected to the credit of the public assurance account. The public assurance account is an account in the general revenue fund that shall be appropriated only to the board to pay for the board's *licensure and enforcement programs* [~~program~~], including the expert physician panel.

SECTION 31. (a) Sections 201.354(d) and (g), Occupations Code, are amended to read as follows:

(d) A person whose license has been expired for 90 days or less may renew the license by paying to the board a renewal fee that is equal to ~~[the sum of] 1-1/2 times the annual renewal fee set by the board under Section 201.153(a) [and the increase in that fee required by Section 201.153(b)]~~. If a person's license has been expired for more than 90 days but less than one year, the person may renew the license by paying to the board a renewal fee that is equal to ~~[the sum of] two times the annual renewal fee set by the board under Section 201.153(a) [and the increase in that fee required by Section 201.153(b)]~~.

(g) A person may renew a license that has been expired for at least one year but not more than three years if:

(1) the board determines according to criteria adopted by board rule that the person has shown good cause for the failure to renew the license; and

(2) the person pays to the board:

(A) the annual renewal fee set by the board under Section 201.153(a) for each year in which the license was expired; *and*

(B) an additional fee in an amount equal to the sum of:

(i) the annual renewal fee set by the board under Section 201.153(a), multiplied by the number of years the license was expired, prorated for fractional years; and

(ii) two times the annual renewal fee set by the board under Section 201.153(a); *and*

~~[(C) the increase in the annual renewal fee required by Section 201.153(b)]~~.

(b) Section 351.304(b), Occupations Code, is amended to read as follows:

(b) A person whose license has been expired for 90 days or less may renew the license by paying to the board a renewal fee that is equal to ~~[the sum of] one and one-half times the annual renewal fee set by the board under Section 351.152 [and the additional fee required by Section 351.153]~~. If a person's license has been expired for more than 90 days but less than one year, the person may renew the license by paying to the board a renewal fee that is equal to ~~[the sum of] two times the annual renewal fee set by the board under Section 351.152 [and the additional fee required by Section 351.153]~~.

(c) Section 351.306(b), Occupations Code, is amended to read as follows:

(b) The person must pay to the board a fee that is equal to the amount of the *renewal* fee set by the board under Section *351.152* [~~351.153(a)~~].

(d) Sections 801.303(b) and (c), Occupations Code, are amended to read as follows:

(b) A person whose license has been expired for 90 days or less may renew the license by paying to the board a renewal fee that is equal to ~~[the sum of]~~ 1-1/2 times the renewal fee set by the board under Section 801.154(a) ~~[and the additional fee required by Section 801.154(b), if applicable].~~

(c) A person whose license has been expired for more than 90 days but less than one year may renew the license by paying to the board a renewal fee that is equal to ~~[the sum of]~~ two times the renewal fee set by the board under Section 801.154(a) ~~[and the additional fee required by Section 801.154(b), if applicable].~~

(e) Section 801.305(b), Occupations Code, is amended to read as follows:

(b) The person must pay to the board a fee that is equal to the amount of the renewal fee set by the board under Section 801.154(a) ~~[and the additional fee required by Section 801.154(b)].~~

(f) Sections 901.155(a) and (c), Occupations Code, are amended to read as follows:

(a) The fee for the issuance or renewal of a license under this chapter consists of:

(1) the amount of the fee set by the board under Section 901.154; and

(2) ~~[the fee increase imposed under Section 901.406; and~~

~~[(3)]~~ an additional \$10 annual fee to be deposited to the credit of the scholarship trust fund for fifth-year accounting students.

(c) The administrative costs incurred to collect the fee imposed under Subsection (a)(2) ~~[(a)(3)]~~ and to disburse the money may not exceed 10 percent of the total money collected.

(g) Section 901.405(f), Occupations Code, is amended to read as follows:

(f) A person who was licensed in this state, moved to another state, and is currently licensed and has been in practice in the other state for the two years preceding the date of application may obtain a new license without reexamination. A person described by this subsection whose license has been revoked under Section 901.502(3) or (4) may obtain a new license under this subsection. A person described by this subsection must pay to the board a fee that is equal to two times the normally required renewal fee for the license ~~[and is not subject to additional fees under Section 901.408].~~

(h) Section 901.408(a), Occupations Code, is amended to read as follows:

(a) A person, other than a person described by Section 901.405(f), who fails to pay the license renewal fee ~~[or the additional fee imposed under Section 901.407, as applicable,]~~ and any late fee before the first anniversary of the due date of the renewal fee ~~[or additional fee]~~ may renew the person's license only by submitting to the board an application for renewal accompanied by payment of:

(1) all accrued fees, including late fees; and

(2) the direct administrative costs incurred by the board in renewing the person's license.

(i) Sections 1001.353(b) and (c), Occupations Code, are amended to read as follows:

(b) A person whose license has been expired for 90 days or less may renew the license by paying to the board the required annual renewal fee and ~~[;]~~ a late renewal fee~~[-and any applicable increase in fees as required by Section 1001.206].~~

(c) A person whose license has been expired for more than 90 days but less than two years may renew the license by paying to the board the required annual renewal fee and ~~[;]~~ a late renewal fee ~~[-and any applicable increase in fees as required by Section 1001.206]~~ for each delinquent year or part of a year.

(j) Section 1001.355(d), Occupations Code, is amended to read as follows:

(d) To return to active status, a license holder on inactive status must:

(1) file with the board a written notice requesting reinstatement to active status;

(2) pay the fee for the annual renewal of the license ~~[and the fee increase required by Section 1001.206]~~; and

(3) provide evidence satisfactory to the board that the person has complied with the continuing education requirements adopted by the board.

(k) Section 1101.154(a), Occupations Code, is amended to read as follows:

(a) The fee for the issuance or renewal of a:

(1) broker license is the amount of the fee set under *Section* [Sections] 1101.152 ~~[and 1101.153]~~ and an additional \$70 ~~[\$20]~~ fee;

(2) salesperson license is the amount of the fee set under Section 1101.152 and an additional \$20 fee; and

(3) certificate of registration is the amount of the fee set under Section 1101.152 and an additional \$20 fee.

(l) The following provisions are repealed:

(1) Section 153.053, Occupations Code;

(2) Sections 201.153(b) and (c), Occupations Code;

(3) Section 254.004(b), Occupations Code;

(4) Section 351.153, Occupations Code;

(5) Section 501.153, Occupations Code;

(6) Sections 801.154(b), (c), and (d), Occupations Code;

(7) Section 901.406, Occupations Code;

(8) Section 901.407, Occupations Code;

(9) Section 901.410, Occupations Code;

(10) Section 1001.206, Occupations Code;

(11) Section 1051.652, Occupations Code;

(12) Section 1052.0541, Occupations Code;

(13) Section 1053.0521, Occupations Code;

(14) Section 1071.1521, Occupations Code;

(15) Section 1101.153, Occupations Code;

(16) Section 1105.003(e), Occupations Code;

(17) Section 1152.053, Occupations Code;

(18) Subchapter H, Chapter 191, Tax Code; and

(19) Section 41, The Securities Act (Article 581–41, Vernon's Texas Civil Statutes).

(m) The changes in law made by this section do not affect a surcharge, additional fee, additional charge, fee increase, tax, or late fee imposed before the effective date of this Act, and the law in effect before the effective date of this Act is continued in effect for purposes of the liability for and collection of those surcharges, additional fees, additional charges, fee increases, taxes, and late fees.

SECTION 32. Section 1105.003(d), Occupations Code, is amended to read as follows:

(d) ~~All [Except as provided by Subsection (e), all]~~ fees and funds collected by the commission or the board and any funds appropriated to the commission or the board shall be deposited in interest-bearing deposit accounts in the Texas Treasury Safekeeping Trust Company. The comptroller shall contract with the commission and the board for the maintenance of the deposit accounts under terms comparable to a contract between a commercial banking institution and the institution's customers.

SECTION 33. Section 1701.156, Occupations Code, is amended by adding Subsection (c) to read as follows:

(c) *The Department of Public Safety may use money appropriated to the department*

*from the account to award grants to local law enforcement agencies for training on incident-based reporting systems to be used for reporting information and statistics concerning criminal offenses committed in this state. The department shall adopt rules governing the award of grants by the department under this subsection.*

SECTION 34. Section 1701.157, Occupations Code, is amended by adding Subsection (a-1) to read as follows:

*(a-1) Subsection (a) does not apply to money appropriated to the Department of Public Safety from the account for the purpose of awarding grants to local law enforcement agencies for training on incident-based reporting systems under Section 1701.156(c).*

SECTION 35. Section 151.0515(b), Tax Code, is amended to read as follows:

(b) In each county in this state, a surcharge is imposed on the retail sale, lease, or rental of new or used equipment in an amount equal to 1.5 ~~two~~ percent of the sale price or the lease or rental amount.

SECTION 36. Section 155.2415, Tax Code, is amended to read as follows:

Sec. 155.2415. ALLOCATION OF CERTAIN REVENUE TO PROPERTY TAX RELIEF FUND AND CERTAIN OTHER FUNDS. (a) Notwithstanding Section 155.241, the proceeds from the collection of taxes imposed by Section 155.0211 shall be allocated as follows:

(1) the amount of the proceeds that is equal to the amount that, if the taxes imposed by Section 155.0211 were imposed at a rate of 40 percent of the manufacturer's list price, exclusive of any trade discount, special discount, or deal, would be attributable to the portion of that tax rate in excess of 35.213 percent, shall be deposited to the credit of the property tax relief fund under Section 403.109, Government Code;

(2) the amount of the proceeds that is equal to the amount that would be attributable to a tax rate of 35.213 percent of the manufacturer's list price, exclusive of any trade discount, special discount, or deal, if the taxes were imposed by Section 155.0211 at that rate, shall be deposited to the credit of the general revenue fund; and

(3) 100 percent of the remaining proceeds shall be deposited to the credit of:

(A) the physician education loan repayment program account established under Subchapter J, Chapter 61, Education Code; or

(B) *the general revenue fund, if the comptroller determines that the unencumbered beginning balance of the physician education loan repayment account established under Subchapter J, Chapter 61, Education Code, is sufficient to fund appropriations and other direct and indirect costs from that account for the fulfillment of existing and expected physician loan repayment commitments during the current state fiscal biennium.*

*(b) Proceeds deposited in accordance with Subsection (a)(3)(B) may be appropriated only for health care purposes.*

SECTION 37. Section 504.6012, Transportation Code, is amended to read as follows:

Sec. 504.6012. ELIMINATION OF DEDICATED REVENUE ACCOUNTS; REVENUES IN TRUST. (a) Notwithstanding any other law ~~[provision of this subchapter]~~, not later than September 30, 2015 ~~[2013]~~, the comptroller shall eliminate all dedicated accounts established for specialty license plates ~~[under this subchapter]~~ and shall set aside the balances of those dedicated accounts so that the balances may be appropriated only for the purposes intended as provided by the dedications.

(b) On and after September 1, 2015 ~~[2013]~~, the portion of a fee payable ~~[under this subchapter]~~ that is designated for deposit to a dedicated account shall be paid instead to the credit of an account in a trust fund created by the comptroller outside the general revenue fund. The comptroller shall administer the trust fund and accounts and may allocate the corpus and earnings on each account only in accordance with the dedications of the revenue deposited to the trust fund accounts.

SECTION 38. Section 542.406(c), Transportation Code, is amended to read as follows:

(c) Not later than the 60th day after the end of a local authority's fiscal year, after



deducting amounts the local authority is authorized by Subsection (d) to retain, the local authority shall:

(1) send 50 percent of the revenue derived from civil or administrative penalties collected by the local authority under this section to the comptroller for deposit to the credit of the *designated [regional] trauma facility and emergency medical services* account established under Section 780.003 [782.002], Health and Safety Code; and

(2) deposit the remainder of the revenue in a special account in the local authority's treasury that may be used only to fund traffic safety programs, including pedestrian safety programs, public safety programs, intersection improvements, and traffic enforcement.

SECTION 39. Section 707.008(a), Transportation Code, is amended to read as follows:

(a) Not later than the 60th day after the end of a local authority's fiscal year, after deducting amounts the local authority is authorized by Subsection (b) to retain, the local authority shall:

(1) send 50 percent of the revenue derived from civil or administrative penalties collected by the local authority under this section to the comptroller for deposit to the credit of the *designated [regional] trauma facility and emergency medical services* account established under Section 780.003 [782.002], Health and Safety Code; and

(2) deposit the remainder of the revenue in a special account in the local authority's treasury that may be used only to fund traffic safety programs, including pedestrian safety programs, public safety programs, intersection improvements, and traffic enforcement.

SECTION 40. Section 708.103, Transportation Code, is amended by amending Subsection (b) and adding Subsection (c) to read as follows:

(b) *Except as provided by Subsection (c), the [The] amount of a surcharge under this section is \$250 per year.*

(c) *The amount of a surcharge under this section is \$125 per year if the person:*

(1) *has been convicted of an offense under Section 601.191, and no other offense described by Subsection (a); and*

(2) *establishes financial responsibility under Section 601.051 not later than the 60th day after the date of the offense through a motor vehicle liability insurance policy that:*

(A) *complies with Subchapter D, Chapter 601; and*

(B) *is prepaid and valid for at least a six-month period.*

SECTION 41. Section 708.104, Transportation Code, is amended by amending Subsection (b) and adding Subsection (b-1) to read as follows:

(b) *Except as provided by Subsection (b-1), the [The] amount of a surcharge under this section is \$100 per year.*

(b-1) *The amount of a surcharge under this section is \$50 per year if the person obtains a driver's license not later than the 60th day after the date of the offense.*

SECTION 42. Section 39.9039(b), Utilities Code, is amended to read as follows:

(b) Notwithstanding Section 39.903(e), money in the system benefit fund may be appropriated:

(1) for the state fiscal year beginning September 1, 2013, a program established by the commission to assist low-income electric customers by providing a reduced rate for the months of September, 2013, and May through August, 2014, in the manner prescribed by Section 39.903(h) at a rate of up to 82 percent;

(2) for the state fiscal year beginning September 1, 2014, a program established by the commission to assist low-income electric customers by providing a reduced rate for the months of September, 2014, and May through August, 2015, in the manner prescribed by Section 39.903(h) at a rate of up to 15 percent;

(3) for the state fiscal year beginning September 1, 2015, a program established by

the commission to assist low-income electric customers by providing a reduced rate ~~[for the months of September, 2015, and May through August, 2016,]~~ in the manner prescribed by Section 39.903(h) at a rate *the commission determines is necessary to exhaust the system benefit fund* ~~[of up to 15 percent];~~ and

(4) for customer education programs and administrative expenses incurred by the commission in implementing and administering this chapter.

SECTION 43. Section 121.211(h), Utilities Code, is amended to read as follows:

(h) A fee collected under this section shall be deposited to the credit of the *oil and gas regulation and cleanup* ~~[general revenue]~~ fund *as provided by Section 81.067, Natural Resources Code* ~~[to be used for the pipeline safety and regulatory program]~~.

SECTION 44. Section 26.3574(b-1), Water Code, is amended to read as follows:

(b-1) The commission by rule shall set the amount of the fee in Subsection (b) in an amount not to exceed the amount necessary to cover the agency's costs of administering this subchapter, as indicated by the amount appropriated by the legislature from the petroleum storage tank remediation account for that purpose, *not including any amount appropriated by the legislature from the petroleum storage tank remediation account for the purpose of the monitoring or remediation of releases occurring on or before December 22, 1998.*

SECTION 45. Section 27.0321, Water Code, is amended to read as follows:

Sec. 27.0321. APPLICATION FEE. (a) With each application for an oil and gas waste disposal well permit, the applicant shall submit to the railroad commission a nonrefundable fee of \$100.

(b) *The fee collected under this section shall be deposited to the credit of the oil and gas regulation and cleanup fund as provided by Section 81.067, Natural Resources Code.*

SECTION 46. The following provisions of law, including provisions amended by S.B. 219, Acts of the 84th Legislature, Regular Session, 2015, are repealed:

- (1) Section 102.055, Business & Commerce Code;
- (2) Section 61.539, Education Code;
- (3) Section 780.003(c), Health and Safety Code;
- (4) Chapter 782, Health and Safety Code; and
- (5) Section 81.113, Natural Resources Code.

SECTION 47. The following laws are repealed:

- (1) Sections 490.101(c), (d), (e), (f), (f-1), (g), (h), and (i), Government Code;
- (2) Section 490.102, Government Code; and
- (3) Subchapters A, B, D, E, F, and G, Chapter 490, Government Code.

SECTION 48. (a) The Texas emerging technology fund is continued solely for the purposes of winding up the contracts governing awards from that fund and the state's portfolio of equity positions and other investments in connection with awards from that fund in accordance with Section 490.104, Government Code, as added by this Act. The Texas emerging technology fund is abolished and Sections 490.101(a), (b), and (b-1), Government Code, are repealed when the comptroller certifies to the governor as provided by Section 490.104, Government Code, as added by this Act, that the final liquidation of the state's portfolio of equity positions and other investments by the Texas Treasury Safekeeping Trust Company has been completed. On the effective date of this Act, any unencumbered fund balance in the Texas emerging technology fund may be appropriated in accordance with Subsection (a-1) of this section.

(a-1) Any unencumbered balance of the Texas emerging technology fund may be appropriated only to one or more of the following:

- (1) the Texas Research Incentive Program (TRIP) under Subchapter F, Chapter 62, Education Code;
- (2) the Texas research university fund, subject to Subsection (b) of this section;

(3) the governor's university research initiative fund established under Subchapter H, Chapter 62, Education Code, as added by this Act;

(4) the Texas Enterprise Fund established under Section 481.078, Government Code; and

(5) the comptroller for the purposes of expenses incurred in managing the state's portfolio of equity positions and other investments in connection with awards from the Texas emerging technology fund in accordance with Section 490.104, Government Code, as added by this Act.

(b) The authority of the Texas research university fund to receive the appropriation described by Subsection (a-1) of this section is contingent on passage and enactment of H.B. 1000, or similar legislation relating to state support for general academic teaching institutions in this state by the 84th Legislature, Regular Session, 2015, that renames the existing Texas competitive knowledge fund and changes the purposes for which the fund can be used.

(c) The abolishment by this Act of the Texas emerging technology fund and the repeal of provisions of Chapter 490, Government Code, relating to that fund do not affect the validity of an agreement between the governor and an award recipient or a person to be awarded money that is entered into under Chapter 490 before September 1, 2015.

(d) Money that was deposited in the Texas emerging technology fund as a gift, grant, or donation under Chapter 490, Government Code, and that is encumbered by the specific terms of the gift, grant, or donation may be spent only in accordance with the terms of the gift, grant, or donation.

(e) Money from the Texas emerging technology fund that is encumbered because the money is awarded or otherwise obligated by agreement before September 1, 2015, but under the terms of the award or agreement will not be distributed until a later date shall be distributed in accordance with the terms of the award or agreement. If the governor determines that the money will not be distributed in accordance with the terms of the award or agreement, the governor shall certify that fact to the comptroller. On that certification, the comptroller shall make that money available in the general revenue fund to be used in accordance with legislative appropriation.

(f) On or after the effective date of this Act, the following payments or other amounts shall be sent to the comptroller for deposit to the Texas emerging technology fund to be used solely for the purposes of winding up the state's portfolio of equity positions and other investments as provided by Sections 490.101(b-1) and 490.104, Government Code, as added by this Act:

(1) any royalties, revenues, and other financial benefits realized from a project undertaken with money from the Texas emerging technology fund, as provided by a contract described by Section 490.103, Government Code;

(2) any interest or proceeds received as a result of a transaction authorized by former Section 490.101(h), Government Code;

(3) any money returned or repaid to the state by an award recipient pursuant to an agreement entered into under former Section 490.101(g), Government Code;

(4) any money derived from an interest the state retained in a capital improvement pursuant to an agreement entered into under former Section 490.101(g), Government Code; and

(5) any fund money returned by an entity that fails to perform an action guaranteed by a contract entered into under former Section 490.154 or 490.203, Government Code.

**SECTION 49.** A regional center of innovation and commercialization established under Section 490.152, Government Code, is abolished on the effective date of this Act. Each center shall transfer to the office of the governor a copy of any meeting minutes required to be retained under Section 490.1521, Government Code, as that section existed immediately before that section's repeal by this Act, and the office shall retain the minutes for the period prescribed by that section.

SECTION 50. Except as provided by this Act, on September 1, 2015, the following powers, duties, functions, and activities performed by the office of the governor immediately before that date are transferred to the Texas Treasury Safekeeping Trust Company:

(1) all powers, duties, functions, and activities related to equity positions in the form of stock or other security the governor has taken, on behalf of the state, in companies that received awards under the Texas emerging technology fund before September 1, 2015; and

(2) all powers, duties, functions, and activities related to other investments made by the governor, on behalf of the state, in connection with an award made under the Texas emerging technology fund before September 1, 2015.

SECTION 51. As soon as practicable, but not later than December 1, 2015, the comptroller of public accounts shall develop the disabled veteran assistance payment form required by Section 140.011(e), Local Government Code, as added by this Act.

SECTION 52. A local government that is a qualified local government, as that term is defined by Section 140.011(a), Local Government Code, as added by this Act, for a fiscal year that began in the 2014 tax year is eligible to apply for a disabled veteran assistance payment as prescribed by Section 140.011, Local Government Code, for that fiscal year.

SECTION 53. Not later than January 1, 2016, the Department of Public Safety shall adopt rules as required by Section 1701.156(c), Occupations Code, as added by this Act.

SECTION 54. The changes in law made by this Act to Sections 708.103 and 708.104, Transportation Code, apply to a surcharge pending on the effective date of this Act, regardless of when the surcharge was assessed.

SECTION 55. Not later than the 90th day of the state fiscal year beginning September 1, 2015, the comptroller shall transfer any remaining balance in the educator excellence innovation fund account No. 5135 to the credit of the general revenue fund.

SECTION 56. Not later than the 90th day of the state fiscal year beginning September 1, 2015, the comptroller shall transfer any remaining balance in the regional trauma account No. 5137 to the credit of the designated trauma facility and EMS account No. 5111 in the general revenue fund.

SECTION 57. (a) Notwithstanding Section 2007.002, Insurance Code, as amended by this Act, for the state fiscal years beginning September 1, 2015, and beginning September 1, 2016, the comptroller shall assess against all insurers to which Chapter 2007, Insurance Code, applies amounts for that state fiscal year necessary, as determined by the commissioner of insurance, to collect a combined total equal to the lesser of:

(1) the total amount that the General Appropriations Act appropriates from the volunteer fire department assistance fund account in the general revenue fund for that state fiscal year other than:

(A) appropriations for contributions to the Texas Emergency Services Retirement System made under Section 614.104(d), Government Code, as added by this Act; and

(B) appropriations to the Texas A&M Forest Service for grants to volunteer fire departments in a total amount not to exceed \$11,500,000; or

(2) \$30 million.

(b) This section expires September 1, 2017.

SECTION 58. The changes in law made by this Act do not affect a surcharge, additional fee, additional charge, fee increase, tax, or late fee imposed before the effective date of this Act, and the law in effect before the effective date of this Act is continued in effect for purposes of the liability for and collection of those surcharges, additional fees, additional charges, fee increases, taxes, and late fees.

SECTION 59. This Act takes effect September 1, 2015.

Passed by the House on April 28, 2015: Yeas 137, Nays 0, 1 present, not voting; the

House concurred in Senate amendments to H.B. No. 7 on May 29, 2015: Yeas 144, Nays 2, 2 present, not voting; passed by the Senate, with amendments, on May 26, 2015: Yeas 31, Nays 0.

Approved June 15, 2015.

Effective September 1, 2015.

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**COMPUTATION AND RATES OF THE FRANCHISE TAX;  
DECREASING TAX RATES**

**CHAPTER 449**

H.B. No. 32

**AN ACT**

**relating to the computation and rates of the franchise tax; decreasing tax rates.**

*Be it enacted by the Legislature of the State of Texas:*

SECTION 1. (a) This Act shall be known as the Franchise Tax Reduction Act of 2015.

(b) The legislature finds that the tax imposed by Chapter 171, Tax Code, has not provided sufficient reliability for property tax relief. It is the intent of the legislature to promote economic growth by repealing the franchise tax.

SECTION 2. Sections 171.002(a) and (b), Tax Code, are amended to read as follows:

(a) Subject to Sections 171.003 and 171.1016 and except as provided by Subsection (b), the rate of the franchise tax is 0.75 ~~one~~ percent of taxable margin.

(b) Subject to Sections 171.003 and 171.1016, the rate of the franchise tax is 0.375 ~~[0.5]~~ percent of taxable margin for those taxable entities primarily engaged in retail or wholesale trade.

SECTION 3. Sections 171.1016(a) and (b), Tax Code, are amended to read as follows:

(a) Notwithstanding any other provision of this chapter, a taxable entity whose total revenue from its entire business is not more than \$20 ~~[\$10]~~ million may elect to pay the tax imposed under this chapter in the amount computed and at the rate provided by this section rather than in the amount computed and at the tax rate provided by Section 171.002.

(b) The amount of the tax for which a taxable entity that elects to pay the tax as provided by this section is liable is computed by:

(1) determining the taxable entity's total revenue from its entire business, as determined under Section 171.1011;

(2) apportioning the amount computed under Subdivision (1) to this state, as provided by Section 171.106, to determine the taxable entity's apportioned total revenue; and

(3) multiplying the amount computed under Subdivision (2) by the rate of 0.331 ~~[0.575]~~ percent.

SECTION 4. This Act applies only to a report originally due on or after the effective date of this Act.

SECTION 5. The comptroller of public accounts shall conduct a comprehensive study, no later than September 30, 2016, to identify the effects of economic growth on future state revenues. The results of the study shall be reported to the governor and the Legislative Budget Board. The report should identify revenue growth allocation options to promote efficiency and sustainability in meeting the revenue needs of this state, including revenues allocated by Section 171.4011, Tax Code, upon repeal of the franchise tax.